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CIA-36307-5

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Copy No. 4

14 July 1953

MEMORANDUM FOR: Deputy Director (Intelligence)

SUBJECT: NSC-29

If this attached draft revision of NSC-29 is considered by you to be some improvement over the earlier edition, I will approach ODM and Defense. This draft has been worked out with SO and DD/P in consultation with Henry Brodie of State.

JAMES Q. REBER  
Assistant Director  
Intelligence Coordination

OIC:JQR:KR (14 July 1953)

Attachment

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14 July 1953

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**TOP SECRET**Problem:

1. To provide minimum protection against the sabotage of industrial operations in foreign countries producing materials of strategic importance to the security of the United States.

Discussion:

2. Certain materials of strategic importance to the United States are produced in foreign countries where the existence of subversive elements and the absence of adequate or effective industrial security procedures combine to render the production and shipment of such materials vulnerable to sabotage. It is the policy of this government to develop as feasible minimum security procedures in each of the strategic industrial operations where identifiable subversive activities or where general political unrest or instability constitute a threat to the security of such industrial operations. These should be in relation to the importance to this country of the products of the installations and the extent of the threat.

3. The direct protection of industrial operations in foreign countries must remain in time of peace the responsibility of the local government or of the private company (which in some cases

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[redacted]

is controlled by the citizens of the U.S.). In view of the major demands upon the resources of this government, it is in general not feasible to provide financial support to the foreign governments or to private companies to provide effective security procedures. In the past in attempting to provide protection the United States has sought to obtain action by the friendly foreign governments to provide effective measures and has disposed itself to render technical assistance in assessing vulnerability or devising plans for security of such operations. In general, the British and the Canadians have devised within their jurisdictions minimum and standby measures. In other countries, such as Indonesia, where the governments do not share our fear of Communist infiltration and influence, they have shown little desire to take steps. In Latin America, particularly

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[redacted] our investigations and recommendations have produced relatively little action by local governments or private companies because of their feeling that the size of the threat does not warrant the expenditure of funds.

4. In order to provide the United States government with as much protection as is feasible of strategic industrial operations abroad, the following procedures shall apply:

- a) ODM has the responsibility for certifying to the Department of State that given industrial operations in

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foreign countries are of strategic importance to the security of the United States and should be the object of the following actions:

- b) The Secretary of State shall request of CIA a judgment as to whether there are in the country sufficient subversive activities to constitute a threat to the security of the industrial operation in question. If CIA responds in the negative, no action shall be taken by the Department of State except where it judges that general political or labor conditions in the country in question require such precautionary measures as may be possible.
- c) The Department of State will make the decision as to whether the nature of the foreign government and our relations with it will permit approaching the foreign government.
- d) If overt action is feasible, the Department of State shall request ODM to conduct an investigation and submit recommendations with regard to security measures which can be taken and which are believed necessary for protection. Insofar as such recommendations are to be implemented by the local government or private companies, the Department

of State has the responsibility for negotiating with them

e) Insofar as the Department of State in the first instance, in consultation with CIA or as a result of ODM recommendations following overt surveillance, believes that covert surveillance or covert counter-sabotage is required, the Department of State will place a request for such with the Central Intelligence Agency. Covert activities will be used only in those cases where overt protection methods are known to be inadequate or inappropriate to provide security. If in the judgment of CIA such actions can be fulfilled without detracting from the priority assignments already levied upon it by the National Security Council, it will proceed and there is no problem. If in the judgment of CIA there would be a detracting from priority assignments already levied on it by the National Security Council, the DCI will certify to the National Security Council via the Secretary of State.

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